# Federal Banker Warns Nation Business Inflation Has Begun

All Economic Resources of the Country Will Be Required to Win War, A. C. Miller Tells Scientists; Private Advantage Must Yield to Public Necessity

Federal Reserve bank investments as evidence of the existence of inflation, partly responsible for the rise in commodity prices since the United States went to war, and declared that if this increase continued it was not unreasonable to expect that before long the Reserve system would be made into a great engine of banking inflation. He explained the process by which enormous inflation has been caused in Germany and France through government borrowing from the banks, and added:

## Saving Is Solution of Problem

for the coming year aggregate some twenty billion, he said, five billions must be added to the nation's savings if the war's expenses are to be met.

Mr. Miller stated his opinion that it would require all of the economic resources of the country to win the war.

"I have it on competent authority," he said, "that it takes the labor of four men, working in industries of one kind or another producing military and other needed supplies, to maintain one soldier at the front. This means that an American army of one million men will require the output of four million men working in factory, field and foundry.

### Requirements of the Allies

"I also have it on competent author-

"I also have it on competent authority that the munitions, provisions and other maintenance that the armies and civilian populations of our allies in Europe must have from us will require the output of more than ten million laborers working in this country.

"If we accept as approximately accurate the estimates of our present available labor supply as amounting to thirty million workers, the magnitude of the economic problems with which we are confronted is suggested by the requirement that one-half or more of our existing labor supply must during the war be devoted to the producing of materials and supplies to be consumed by our own and the armies of our allies and the civilian population of the nations in Europe which are dependent on us for part of their necessary keep."

"I cannot believe." Mr. Miller contin-

sumed by our own and the armies of our allies and the civilian peculation of the nations in Europe which are dependent on us for part of their necessary keep."

"I cannot believe," Mr. Miller continued, "that those who are sponsoring the doctrine of 'business as usual' can appreciate the economic-significance of the doctrine. The man who knowingly preaches the doctrine of 'business as usual' can appreciate the economic-significance of the doctrine. The man who knowingly preaches the doctrine of 'business as usual' at this time is proposing that private advantage should be set against or ahead of public necessity. At this crisis in the nation's life every business, no matter what its nature, is affected with a public interest and the public has the right, indeed owes it to itself, to determine within what limits that busness shall be crcumscribed in the interest of the war, or to what extent it shall be helped and fostered in the same interest.

"The American business system is on mission of inquiry.

## Summary of the Situation

Summing up his survey of the situation, Mr. Miller reaches these conclusions: "The ultimate terms of our war

"The ultimate terms of our war financing must be, not money, but what money will buy."

"Vast as our proposed expenditures and advances are, there is reason to believe that they can be met without the use of any doubtful or wasteful expedients of finance.

"Any attempt to carry the war as an extra would pave the way for an abuse of loans and a certain inflation of credit and prices, which in the end would increase the probable cost of the war by as much as 25 per cent.

"Government bond issues, to be safe, must be bottomed on real savings. Intensive and discriminated savings and methods of promoting thrift are necessary ingredients in any effective programme of war finance.

"A similar necessity exists for the effective moralization, at the content of the conte

"A similar necessity exists for the effective mobilization of the industrial power of the country. The right of way must be given to industries that are tributary to the war needs of the

government.
"Working to the same end is priority of credits, the different industries of the country having priority upon



MENICIPAL CHIL SERVICE

PHILADELPHIA, Nov. 3.—Speaking before the American Academy of Political and Social Science to-day, A. C. Miller, member of the Federal Reserve Board, warned that inflation already had begun and said that American business must not undertake to carry the war as an "extra," but must exercise the vision and imagination necessary to see the great changes in economic organization essential to victory.

Mr. Miller pointed to the increase in Pederal Reserve bank investments as Pederal Reserve bank investments as the fluid credit of the Federal Reserve system in the order of their importance (embargo of credit to non-essential embargos). Such a priority is consistent with the spirit of the Federal Reserve act, which in one of its most fundamental clauses directs that rates 'shall be fixed with a view of accommodating commerce and business, it would be proper for the Federal Reserve Board and banks to fix discount rates with a view of accommodating commerce and business to the degree in which it contributes to war production.

"The need of a well informed eco-nomic stratogy for the purpose of co-ordinating the industrial activities of the United States and those of our allies so as to weld the population of all these countries into one great whole as a fighting machine."

son Company and to the Colt's Fire- yesterday, opened their doors yester-

Washington, Nov. 3.—Contracts from which all spirituous and manted washington, so the Colt's Fire-arms Company and to the Colt's Fire-arms Company and to the Colt's Fire-arms Company for thousands of a new pictude whether all the people who have income enough to save will save, or whether they can or will be made to assert abroad. Each of these companies is to turn out a weapon slightly different whether they can or will be made to assert abroad. Each of these companies is to turn out a weapon slightly different whether they can or will be made to assert abroad. Each of these companies is to turn out a weapon slightly different whether they can or will be made to assert abroad. Each of these companies is to turn out a weapon slightly different whether they can or will be made to assert the current savings fund of the nation.

"The obligations of a government, such as the United States, when considered purely from an investment point of view, are unquestionably the most eligible sort of investment."

Estimating the annual actual savings of the American people at fifteen billion dollars, Mr. Miller suggested that twelve billion, would be left to absorb loans after deducting three billions meet war taxes. Since appropriations for the company year, asgregate some twenty billion, he said, five billions must be added to the eadingment of the arms biller state of the commy to win the war. Mr. Miller stated he option that it would require all of the committee the added to the equipment of the troops of meet war taxes. Since appropriations for the commy to win the war. Mr. Miller stated he option that it would require all of the committee the hands of General Crozier, who, will decide whether the gun possesses sufficient advantageous features to warrant to comment working in industries of one kind or another producing military and for mended to the mended to the mended to the expense of the commy to win the war. "I have it on competent authority," he said, "that it takes the labor of four men, working in industries of o its manufacture in quantity by the government. The Berthier is not unlike the Browning automatic rifle, the latest to be adopted by the army, but has less parts included in its construction.

Frederick Rodgers,
Rear Admiral, Dies

ST. JAMES. Long Island, Nov. 3.—
Rear Admiral Frederick Rodgers. retired, veteran of the Civil War and president of the Board of Inspection and Survey during the war with Spain, died to-day at his home here. He was seventy-five years old, and had been an invalid seven years.

He was born at Havre de Grace, Md., in 1842, and entered the Naval Acad-

in 1842, and entered the Naval Academy in 1857. He served throughout the Civil War as a lieutenant and was in action at Donaldswille, Port Huron and College Point, La. He also served in the Grand Gulf, Atlantic and West Calf blackding squadrage.

## Swiss Expect U. S. To Aid Food Problem

The Swiss commission, which has been in this country for ten weeks and which on Thursday said farewell to President Wilson, yesterday issued a statement saying it was convinced Switzerland could rely on the friend-ship of the United States and look forward to the solution of the economic difficulties yet to be adjusted. The statement said:

"Before leaving this country we wish

"Before leaving this country we wish "Before leaving this country we wish to express to all the Americans in and out of public life, who have so kindly received us, our very cordial appreciation of their generous hospitality. We have everywhere felt the sympathetic warmth of the peculiarly friendly feelings of our great sister republic, of which the President was good enough to assure us on our arrival.

"Some difficulties in the economic relations between our two countries still remain to be adjusted, and in the present crisis it is not impossible that others may from time to time arise.

"We know that we may rely on the

"We know that we may rely on the friendship of the United States, and confidently expect a mutually advan-tageous solution of all present and future problems."

## No Headaches Now In War Zone Saloons

For New Army Pistol

WASHINGTON, Nov. 3.—Contracts have been awarded to the Smith & Wesson Company and to the Colly Diagram of the saloans in the waterfront zone, from which all spirituous and malted liquors were so precipitately banished vesterday opened their doors vester.

# First Food License

Monk Rasputin, Insane
itself, to determine within what limits
that busness shall be creumseribed in
the interest of the war, or to what
extent it shall be helped and fostered
in the same interest.

"The American business system is on
trial in this war.

If it fails in
rising to the occasion through cowardice, weakness or selfathness, it will
have gone a long way toward sounding
that death knell and surrendering to
other agencies the right of leadership
in the great processes of economic
reconstruction which must take place
at the close of the war."

Monk Rasputin, Insane

PETROGRAD, Nov. 3.—Alexander D.
Protopopoff, ex-Minister of the Interior under the late monarchy, has
been pronounced insane by the commission of inquiry.

Alexander D. Protopopoff was once
classed as a patriotic member of the
Japan as a sort of supplementary
agreement to the Russo-Japanese convention which was signed on July 3,
of the mystic monk Rasputin. Protopopoff was removed recently from the
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classed as a patriotic member of the beautiful and the same interest.

Summary of the Situation

"Alexander D. Protopopoff was once
classed as a patriotic member of the Japan as a sort of supplementary
to the mystic monk Rasputin.

"The question of the railway,
first began to negotiate for the railway,
first began to negotiate for the railway,
was decided after negotials of Japan and Russia to transfer a
section of the railway,
for New Y
President
of New

# New Board to Rule N.Y.Port During War

Federal Government, New Jersey and Empire

# Secretary of Treasury

Shipping Facilities To Be Developed to Aid Army and Navy

Secretary of War Baker came to New York yesterday to a conference at the offices of the New York-New Jersey Port and Harbor Development Commission, 115 Broadway, at which the New York Port War Board, an organization which will manage the port during the duration of the war, was formed. The conference was held by the direction of President Wilson and was a continuation of a meeting held in Washing-

ton last week.

Others present at the conference were Edwin N. Hurley, chairman of the United States Shipping Board; Director of Shipping Carey, Byron R. Newton, Collector of the Port, representing the Secretary of the Treasury; Allan Thurman, representing the Secretary of Commerce; Captains Cutler and McKean, representing the Navy Department; Governor Edge of New Jersey, General Chauneey B. Baker, General D. C. Shanks, General Abbott, and all members of the New York-New Jersey Port and Harbor Development Commission, including William R. Willcox, E. H. Outerbridge and Arthur Curtiss James, of New York; J. Spencer Smith, W. H. Van Buskirk and Franklin R. Fort, of New Jersey; General George W. Goethals, the consulting engineer; Julius Henry Cohen, counsel, and Dock Commissioner R. A. C. Smith.

McAdoo Heads New Board

### McAdoo Heads New Board

William G. McAdoo, Secretary of the Treasury, was elected chairman of the new Port War Board; William R. Will-

reasury, was cleected that mere Port War Board; William R. Willcox was named vice-chairman and
Julius Henry Cohen secretary. Offices
for the board will be obtained immediately, and it is expected that the
merchants and shipping interests of
the city will be asked to cooperate with
the organization.

Although Governor Whitman was
unable to attend yesterday's conference,
he is entirely in sympathy with the
plan. On October 3, following an inspection trip around the harbor. Commissioner Willcox and his colleagues
visited President Wilson and read to
him the letters from both Governor
Whitman and Governor Edge pledging
the support of their states, through a
commission, in the uses of the port
during the war.

Recommended a Conference

### Recommended a Conference

Following the conference Secretary Baker left for Washington.

# Reported Sinn Fein Revolt Stirs London

LONDON, Nov. 3 .- Rumors were Central News says the reports are groundless so far as the North of Ireland is concerned.

The following Central News dispatch has been received here from Dublin concerning the Sinn Fein agi-

State Combine

State Combine

There is intense excitement here owing to wild rumors being circulated by irresponsible persons, and stern measures are under way against the Sinn Feinera. It was stated that Professor Edward de Valera, who was elected president of the recent Sinn Fein conference here, has been arrested last night after addrossing a meeting at Limerick, but, as a matter of fact, he is still at liberty.

"Sinn Fein headquarters here has announced that the meeting arranged for Sunday at Newbridge, which the authorities prohibited, now has been abandoned. There is nothing in recent incidents to indicate that trouble is

abandoned. There is nothing in recent incidents to indicate that trouble is threatening. The police and military, it is stated, have taken all precautions to prevent any breaches of the peace." "The Daily Mail" to-day says: "There is reason to believe that a feeling of disquiet has developed in Dublin and some country districts over the Sinn Fein stuation. Professor De Valera's meetings fixed for Sunday at Newbridge and Kildare have been prohibited."

Professor De Valera, principal Sinn Fein leader, is Member of Parliament for East Clare but has never taken his

### Garcia Forms Coalition

Thousands Pay Last Tribute To Inspector Schmittberger

confirmed. A Belfast message to the The Mayor, City Officials and the Public Generally Join in Doing Honor to Dead Police Official-Sidewalks Lined With Mourning Crowds

> Fifth Avenue and Broadway, the to get seats in the public news, atscene of many parades during the last tempted to take seats in the centre year, witnessed another procession yes- aisle reserved for the Schmittberger terday. But the resounding music of family and friends and members of the the other days gave way yesterday to Police Department. a dirge for the man who was the famil-

> parades-Max F. Schmittberger, chief Help, of which Chief Schmittberger was inspector of the Police Department. Thousands paid a last tribute to "the high requiem mass at the cathedral, and grand old man of the Police Depart- within the chancel rail were Monsignor ment." From his home, in Sixty-first John J. Lavelle, rector of the cathedral; John J. Lavelle, rector of the cathedral;
> Monsignor John J. Dunn, chancellor of
> the diocese; Monsignor John P. Chidwick, chaplain of the U. S. S. Maine
> when that vessel was sunk in Havana
> harbor, and Monsignor William A. McGuirl, chaplain of the Police Department for Brooklyn. Rabbi Stephen S.
> Wise occupied a pew behind the
> Schmittberger family. Street, east of Third Avenue, to St. Patrick's Cathedral and to the point where the public ceremonies ended, at Seventy-second Street and Broadway, thousands thronged the curb and many more followed the procession, headed Wise by the Police Band.

> > Streets Were Crowded

Police Band sounded "taps."

### Hats were off, were held against Had Fought a Good Fight breasts, and throats were silent as the

cortège passed through the head-bowed people who knew the extent of the

"I have fought a good fight. I have finished my course. I have kept the faith. Henceforth there is lad up for me a crown of righteousness, which the Lord, the righteous judge, shall give me at that day."

Dethe Coorn said Chief Schmitt-Long before the announced hour for the funeral the streets surrounding the Schmittberger home were crowded with

people. When the coffin was carried from the house, escorted by Mayor Mitchel and Police Commissioner Woods, all heads were bared and the St. Patrick's Cathedral was taxed to capacity to accommodate those who wished to play a part in the last religious ceremony for "the Chief." Police-

men, many of them ranking officers, and all members of the Honor Legion, founded by Chief Schmittberger, acted as ushers and had considerable difficulty in preventing those who, unable

The Rev. William J. Crosby, rector of iar figure at the head of all New York's the Church of Our Lady of Perpetual a communicant, celebrated the solemn

Father James J. Coogan, Catholic chaplain of the department for Manhattan and The Bronx, said that Schmittberger's life had been a glowing example of the seventh and eighth verses of Timothy, chapter IV:

"I have fought a good light I have

me at that day."

Father Coogan said Chief Schmittberger had made and won the fight
against what was for a time considered insurmountable obstacles, and
that by the institution of religious
ceremonies for policemen, such as the
annual vespers services, had kept the
faith. "Undoubtedly," he added, "he
has received the 'crown of righteous-

tier, Bolan, Tierney, Ryan and O'Brien, followed.

Immediately behind the hearse walked "Frank," draped in mourning. "Frank" has been in the Police Department for thirty-two years, and was the only horse Chief Schmittberger would use at a parade.

Police Commissioner Woods and Deputy Commissioner Woods and Deputy Commissioner Been G. Godley. Guy Scull and Henry Jay Case were next in line, followed by the entire Board of Inspectors and about half of the city's captains.

The line of march was up Fifth Avenue to Fifty-eighth Street, to Broadway, to Seventy-second Street. The strains of the Police Band's dirgo brought hundreds to the windows of the clubs and hotels along the line of march and thousands to the curbs.

About one hundred persons, mostly men, began the walk with the cortage from the cathedral. As they marched Broadway, office and loft buildings emptited thousands into the streets for lunch or the half holiday. When the mounted bugler blew taps at the Seventy-second Street subway more than 3,000 heads were bowed in last tribute to the man whom Commissioner Woods had characterized as "the biggest factor in regaining public confidence for the police force."

The funeral proceeded, unaccompanied, to Woodlawn Cemetery.

### Died to Save Friends

Daniel J. Lynch, who threw his bulk against a slowly descending freight elevator to save the lives of two fellow

elevator to save the lives of two fellow workmen, died yesterday in St. Vincent's Hospital as the result of injuries he sustained.

Lynch, with two others, was making repairs in the elevator shaft in the building at 48 West Fourth Street yesterday morning, when the car, which had been left at the first floor, began to slide down.

Lynch, who was more than six feet tall, saw the danger and bent his shoulders to receive the weight, at the same time shouting for aid. His fellow workers escaped with slight injuries, but Lynch was unconscious when rescued and died later in the hospital.

### Fire Menaces Foodstuffs

faith. "Undoubtedly," he added, "he has received the 'crown of righteousness."

Inspector Dwyer, mounted, led the Police Band and the 500 foot and mounted patrolmen who were the official escort after the services. The hearse, surrounded by the pallbearers, Inspectors Daly, O'Connor, Kelly, Boet-Fire of mysterious origin that start-



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appointments, you are in-

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